

## **INITIAL STATEMENT OF REASONS**

### **Section 1859.2. Definitions.**

#### **Specific Purpose of the Regulation**

To provide the meaning of additional specific words and terms that are essential to these regulations.

#### **Need for the Regulation**

It was necessary to provide definitions for specific words and terms that are used extensively in these regulations as it eliminates the need for restating definitions at every instance of use.

#### **Technical Documents Relied Upon**

None.

### **Section 1859.74. Additional Grant for Site Acquisition Cost.**

#### **Specific Purpose of the Regulation**

To provide an exception for qualifying for an additional grant for site acquisition cost.

#### **Need for the Regulation**

It was necessary to exclude projects that qualify for district-owned site acquisition funding based on the appraised value of the site from receiving site acquisition funding, based on actual cost under this section.

#### **Technical Documents Relied Upon**

None.

### **Section 1859.74.5. New Construction Additional Grant for District-Owned Site Acquisition Cost.**

#### **Specific Purpose of the Regulation**

To allow a new construction additional grant for a district-owned site based on the appraised value, under certain conditions.

#### **Need for the Regulation**

It was necessary to establish a mechanism by which districts could receive funding for district-owned sites based on the appraised value.

Subsection (a)(1): This is consistent with statute.

Subsections (a)(1)(A) through (a)(1)(C): This criteria demonstrates site ownership. Subsection (D) entertains other facts that establish site ownership and date acquired that fall outside the established criteria.

Subsection (a)(2): It was necessary to ensure that the district-owned site was not already purchased with State funds prior to qualifying for the additional grant under this section.

Subsection (a)(3): This is consistent with statute.

Subsections (a)(3)(A) through (a)(3)(C): This criteria has been a common practice by school districts when utilizing district-owned sites for non-school activities.

Subsection (D) entertains other non-school activities that fall outside the established criteria.

Subsection (4): This criteria was enacted to assure that most of the district-owned sites were used for the non-school purpose.

Subsection (5): This criteria was enacted to assure compliance with the law that the non-school function must be discontinued in order to use the site for school purposes.

Subsection (6): This is consistent with statute.

Subsection (7): This is consistent with statute that all sites used for school purposes must meet the California Department of Education requirements.

Subsections (b)(1) through (b)(4): This language is necessary to establish a value of the property for purposes of State funding.

#### **Technical Documents Relied Upon**

None.

#### **Section 1859.74.6. District-Owned Site Cost Benefit Analysis.**

##### **Specific Purpose of the Regulation**

To provide direction on the development of the cost benefit analysis required on the merits of using a district-owned site.

##### **Need for the Regulation**

It was necessary to provide direction when developing the cost benefit analysis in order to determine the cost effectiveness of utilizing an existing district-owned site in lieu of acquiring a new site.

##### **Technical Documents Relied Upon**

None.

#### **Section 1859.76. New Construction Additional Grant for Site Development Costs.**

##### **Specific Purpose of the Regulation**

To further define a qualifying parking structure.

### **Need for the Regulation**

Existing language, specifically the term “multilevel,” prevented the OPSC to allow certain design alternatives. The intent of multilevel parking structures was to allow projects on impacted sites additional funding to conserve open space in order to accommodate building or playground area. Further defining a qualifying parking structure allows school district projects located on unique sites additional alternatives to build underground parking structures as well as above-ground parking structures that also have buildings or playgrounds on upper levels.

### **Technical Documents Relied Upon**

None.

### **Section 1859.77.1. New Construction District Matching Share Requirement.**

#### **Specific Purpose of the Regulation**

To provide an exception to the district matching share requirement for the additional funding provided for certain district-owned sites.

### **Need for the Regulation**

It was necessary to provide this exclusion as the intent of the law was to provide funding for 50 percent of the appraised value of the site. If a district matching share was required, it would have the effect of providing 100 percent funding of the approved value of the site.

### **Technical Documents Relied Upon**

None.

### **Section 1859.81.1. Separate Apportionment for Site Acquisition and Design Costs.**

#### **Specific Purpose of the Regulation**

To provide an exception to the required financial hardship criteria for a separate apportionment for site acquisition or design costs.

### **Need for the Regulation**

It was necessary to ensure that eligible financial hardship districts did not receive funding for separate apportionments under this section since there is no district matching share requirement.

### **Technical Documents Relied Upon**

None.

**Section 1859.81.2. Separate Apportionment for District-Owned Site Acquisition Costs.**

**Specific Purpose of the Regulation**

To allow financial hardship districts to receive a separate apportionment for district-owned site acquisition costs, even when there is no district matching share requirement.

**Need for the Regulation**

It was necessary to specify the conditions by which financial hardship districts could obtain State funding for the site cost prior to construction. Financial hardship districts need funding up-front to clear the existing district-owned site and move the non-school function to another site prior to constructing a school on the site.

**Technical Documents Relied Upon**

None.

**Section 1859.81.3. Use of District-Owned Site Acquisition Apportionment.**

**Specific Purpose of the Regulation**

To specify parameters as to the use of a district-owned site acquisition apportionment.

**Need for the Regulation**

It was necessary to stipulate how district-owned site acquisition funds could be utilized in order to ensure prudent use of State dollars. This is consistent with the current School Facility Program regulations.

**Technical Documents Relied Upon**

None.

**Section 1859.90. Fund Release Process.**

**Specific Purpose of the Regulation**

To provide a fund release exception of a district-owned site acquisition apportionment.

**Need for the Regulation**

It was necessary to exclude district-owned site acquisition apportionments from the normal fund release requirement for purposes of maintaining consistency with existing Regulation Section 1859.81.1(c). The normal fund release requirements provide for certification that the district has entered into a contract for the construction of facilities on the site and that the district matching funds are available. Since there are no district matching funds for the site and the intent is to provide these funds to the district prior to construction on the site, there is a need for exclusion of the normal fund release process.

### **Technical Documents Relied Upon**

None.

### **Section 1859.103. Savings.**

#### **Specific Purpose of the Regulation**

To identify another component for which project savings may be used towards, and provide an exception to the required use of savings that reduces the financial hardship grant for apportionments made for district-owned site acquisition.

#### **Need for the Regulation**

It was necessary to specify that project savings could be used towards the relocation of district facilities used for non-school purposes in order for districts to utilize the district-owned site for school purposes. This is consistent with statute.

### **Technical Documents Relied Upon**

None.

### **Section 1859.104. Program Reporting Requirements.**

#### **Specific Purpose of the Regulation**

To provide specific reporting requirements for district-owned site acquisition apportionments.

#### **Need for the Regulation**

Subsections (d), (d)(1) and (d)(2): This is consistent with statute. The number of months reflected in subsections (d)(1) and (d)(2) is the time it takes to complete an elementary school and a middle school project, based on current statutes and average time to complete the actual construction on the site.

### **Technical Documents Relied Upon**

None.

### **Section 1859.105.2. Program Accountability for District-Owned Site Acquisition Cost.**

#### **Specific Purpose of the Regulation**

To provide accountability requirements for district-owned site acquisition apportionments.

### **Need for the Regulation**

It was necessary to ensure compliance by reminding districts that received district-owned site acquisition apportionments that failure to submit the required certification may result in material inaccuracy penalties specified in law.

### **Technical Documents Relied Upon**

None.

### **Alternatives to the Proposed Regulatory Actions that would be as Effective and Less Burdensome to Private Persons**

The SAB finds that no alternatives it has considered would be more effective in carrying out the purpose of the proposed regulations or would be as effective and less burdensome to affected private persons than the proposed regulations.

### **Alternatives to the Proposed Regulatory Actions that would Lessen any Adverse Economic Impact on Small Business**

The SAB has determined that the proposed regulations do not affect small businesses.

### **Finding of Significant Adverse Economic Impact on Businesses**

The SAB has determined that the adoption of the regulations will not affect small businesses because they are not required to comply with or enforce the regulations, nor will they benefit from or be disadvantaged by the regulations.

### **Impact on Local Agencies or School Districts**

The SAB has determined that the proposed regulations do not impose a mandate or a mandate requiring reimbursement by the state pursuant to Part 7 (commencing with Section 17500) of Division 4 of the Government Code. It will not require local agencies or school districts to incur additional costs in order to comply with the proposed regulations.

## **SCHOOL FACILITY PROGRAM FORM**

### **Application for Funding, Form SAB 50-04 (Revised 08/02).**

#### **Specific Purpose of the Form**

Page 1: To make a non-substantive change.

Pages 1, 2, and 4: To incorporate language that implements and is consistent with statute.

Page 6: To make minor non-substantive changes.

## **Need for the Form**

Page 1, 1<sup>st</sup> column, 3<sup>rd</sup> paragraph: Provides specific instruction that summarizes the methods that a school district uses to qualify for district-owned site acquisition apportionments.

Page 1, 2<sup>nd</sup> column, last bullet in 1<sup>st</sup> paragraph: This is consistent with statute.

Page 1, 2<sup>nd</sup> column, last paragraph: It was necessary to reflect the correct web address to enable school districts accessibility.

Page 2, 2<sup>nd</sup> column, No. 5.d.(1): This is consistent with statute.

Page 2, 2<sup>nd</sup> column, paragraph above 5.d. (last paragraph): It was necessary to ensure that school districts could not receive funding for district-owned sites if those sites were previously acquired with specific State funding.

Page 4, 1<sup>st</sup> column, No. 1: It was necessary to add an additional check box to differentiate which check box would be utilized by those school districts applying for the existing Regulation Section 1859.81.1, "Site Only," or the new Regulation Section 1859.81.2 (district-owned), "Site Only."

Page 6, 1<sup>st</sup> column, last bullet: It was necessary to make this non-substantive change.

Page 6, 2<sup>nd</sup> column, 3<sup>rd</sup> bullet from bottom of page: It was necessary to make this non-substantive change for consistency purposes.

## **Technical Documents Relied Upon**

None.

## **Alternatives to the Proposed Regulatory Actions that would be as Effective and Less Burdensome to Private Persons**

The SAB finds that no alternatives it has considered would be more effective in carrying out the purpose of the proposed regulations or would be as effective and less burdensome to affected private persons than the proposed regulations.

## **Alternatives to the Proposed Regulatory Actions that would Lessen any Adverse Economic Impact on Small Business**

The SAB determined that the proposed regulations do not affect small businesses.

### **Section 1859.2. Definitions**

#### **Section 1859.21. SFP Application for Funding**

#### **Section 1859.50. Calculations to Determine New Construction Baseline Eligibility**

#### **Section 1859.70. General**

#### **Section 1859.73.1. New Construction Additional Grant for Project Assistance**

#### **Section 1859.73.2. Construction Additional Grant for Replaced Facilities**

#### **Section 1859.74.1. Site Acquisition Guidelines**

#### **Section 1859.75.1. Separate Site Apportionment for Environmental Hardship**

#### **Section 1859.76. New Construction Additional Grant for Site Development Costs**

#### **Section 1859.78.2. Modernization Additional Grant for Project Assistance**

#### **Section 1859.79.3. Minimal Requests for Modernization Grant Funds**

#### **Section 1859.81. Financial Hardship**

**Section 1859.81.1. Separate Apportionment for Site Acquisition and Design Costs**  
**Section 1859.82. Facility Hardship Grant**  
**Section 1859.100. Restricted On-Going and Major Maintenance Fund**  
**Section 1859.101. Districts that are Exempt from the Specified Annual Deposit**  
**Section 1859.102. Maintenance Plan**  
**Section 1859.107. Amending and Withdrawal of Applications**

### **Specific Purpose of the Form**

To amend the date referenced in these regulations for the *Application for Funding*, Form SAB 50-04 (Revised 08/02).

### **Need for the Form**

It is necessary to amend all regulation sections that reference a form when the form is being amended.

### **Office of Administrative Law Regulations, Title 1, Section 20(c)(1)**

The State Allocation Board's School Facility Program Form SAB 50-04, *Application for Funding*, is frequently revised and is maintained and readily accessible through our web site. Therefore, it is not necessary to publish it in the California Code of Regulations.